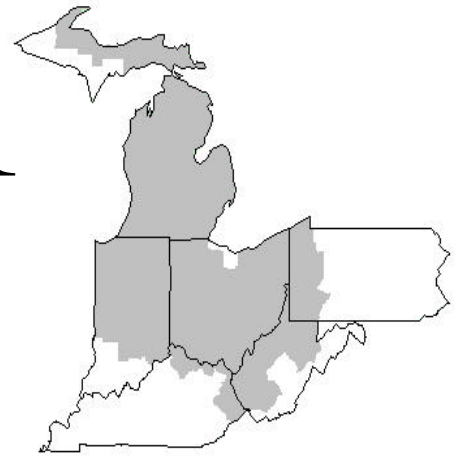


Mideast Market Administrator's Bulletin



Federal Order No. 33

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2001 MARKET SUMMARY

Producer milk receipts totaled 17.2 billion pounds on the Mideast Order during 2001, an increase of 3 billion pounds, or 21.5 percent from 2000. Monthly producer receipts ranged from a low of 1.2 billion pounds in February to a record high of 1.7 billion pounds in July.

The average daily delivery per producer during 2001 was 4,134 pounds, an increase of 268 pounds from last year. The number of producers pooled on the Mideast Order in 2001 averaged 11,395 per month, up 1,365, or 13.6 percent from a year earlier. Producer milk averaged 3.68 percent butterfat ranging from a low of 3.52 percent in August to a high of 3.81 in January. The protein test averaged 3.02 percent for the year. It ranged from a low of 2.90 percent in July, to a high of 3.10 percent in October and November. Other solids averaged 5.70 percent for the year.

For the year, 38.5 percent of producer milk was utilized as Class I; 11.6 percent in Class II; 45.6 percent in Class III; and 4.3 percent in Class IV. The Class I utilization percentage peaked at 44.3 percent in March and declined to a low of 30.9 percent in July. Class I milk totaled 6.6 billion pounds during 2001, down 1.5 percent from 2000. Class II milk totaled 2.0 billion pounds and Class IV totaled 741 million pounds for the year. Class III milk increased substantially from year earlier levels, totaling 7.8 billion pounds in 2001 compared to 4.5 billion in 2000. This represents an increase of 3.3 billion pounds or 73.3 percent from the prior year.

The Class I price averaged \$16.27 for the year, an increase of \$2.72 from 2000. The Class I price was a record high of \$17.93 in October. The Class II price averaged \$14.53; the Class III price averaged \$13.10; and the Class IV price averaged \$13.76 for the year.

The Statistical Uniform Price averaged \$14.52 for 2001 compared to \$12.08 in 2000. The Producer Butterfat Price averaged \$1.8480 per pound in the year 2001. It peaked at \$2.4449 in September. The Protein Price averaged \$1.9613 per pound. The high was \$2.6664 in October. Other Solids Price averaged \$0.1343 per pound. It reached a high of \$0.1535 per pound in August. The Producer Price Differential (PPD) averaged \$1.42 cwt. in the year 2001 ranging from a low of \$0.43 in October to a high of \$2.55 in January.

USDA ANNOUNCES 2002 SUPPORT PRICES FOR MILK AND MILK PRODUCTS

The U.S. Department of Agriculture announced December 28 that the purchase prices for butter, nonfat dry milk, and cheese under the Milk Price Support Program will remain unchanged for now, but will be reconsidered as the 2002 calendar year begins. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, extends the program through May 31, 2002, at the 2001 milk support price of \$9.90 per hundred-weight (3.67% milkfat).

NOVEMBER MILK PRODUCTION UP 0.4 PERCENT

Milk production in the 20 major States during November totaled 11.4 billion pounds, up 0.4 percent from November 2000. October revised production, at 11.7 billion pounds, was down 0.7 percent from October 2000. The October revision represented a decrease of 0.4 percent or 53 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,480 pounds for November, 21 pounds above November 2000.

The number of milk cows on farms in the 20 major States was 7.73 million head, 78,000 head less than November 2000, but 8,000 head more than October 2001.

DECEMBER 2001 POOL SUMMARY

Classification of Producer Milk

		<i>Percent</i>
Class I	561,956,012	36.1
Class II	189,264,712	12.1
Class III	700,833,846	45.0
<u>Class IV</u>	<u>106,578,775</u>	<u>6.8</u>
Total	1,558,633,345	100.0

Producers Prices

Producer Price Differential	\$ 0.84 / cwt
Butterfat Price	1.4322 / lb
Protein Price	1.9782 / lb
Other Solids Price	0.1517 / lb
Somatic Cell Adjustment Rate	0.00064 / cwt
Statistical Uniform Price	12.64 / cwt

**ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33**

DECEMBER 2001

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	<u>POUNDS</u>	<u>BUTTERFAT</u>	<u>SKIM / PROTEIN</u>	<u>NONFAT SOLIDS</u>	<u>OTHER SOLIDS</u>	<u>PRICE</u>	<u>VALUE</u>
Class I Skim Value			551,059,117			\$ 9.15 / cwt	\$ 50,421,909.21
Class I Butterfat		10,896,895				1.4713 / lb	16,032,601.64
Class I Location Differential	561,956,012						(306,037.33)
Class II SNF Value				16,145,820		0.8722 / lb	14,082,384.16
Class II Butterfat		12,527,716				1.4392 / lb	18,029,888.86
Class III Protein Value			21,531,571			1.9782 / lb	42,593,753.75
Class III Other Solids Value					39,957,424	0.1517 / lb	6,061,541.20
Class III Butterfat		24,982,752				1.4322 / lb	35,780,297.41
Class IV SNF Value				8,745,662		0.7799 / lb	6,820,741.78
Class IV Butterfat		10,565,263				1.4322 / lb	15,131,569.67
Somatic Cell Value II / III / IV							<u>457,153.84</u>
TOTAL PRODUCER MILK VALUE	1,558,633,345	58,972,626	47,926,196		88,748,598		\$ 205,105,804.19
Overages						\$ 2,207.75	
Beginning Inventory						8,208.98	
TOTAL ADJUSTMENTS							\$ 10,416.73
TOTAL HANDLER OBLIGATIONS							\$ 205,116,220.92
Total Protein Value			47,926,196 lbs	@	\$ 1.9782		\$ (94,807,600.93)
Total Other Solids Value			88,748,598 lbs	@	0.1517		(13,463,162.31)
Butterfat Value			58,972,626 lbs	@	1.4322		(84,460,594.96)
Total Somatic Cell Values							<u>(690,447.41)</u>
TOTALS							\$ 11,694,415.31
Net Producer Location Adjustments							\$ 1,315,886.79
1/2 Unobligated Balance Producer Settlement Fund							<u>784,000.00</u>
Total - Divided by Total Pounds			1,558,633,345 lbs		0.8850255		\$ 13,794,302.10
Rate of Cash Reserve					<u>(0.0450255)</u>		<u>(701,782.46)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,558,633,345		\$0.84 / cwt		\$ 13,092,519.64

COMPONENT PRICES

COMPUTATION OF UNIFORM PRICE

	<u>December</u>			<u>December</u>	
	<u>2001</u>	<u>2000</u>		<u>2001</u>	<u>2000</u>
Butterfat Price	\$1.4322 / lb	\$1.6534 / lb	Class III Price - 3.5% BF	\$11.80	\$9.37
Protein Price	1.9782 / lb	1.0378 / lb	Producer Price Differential*	<u>0.84</u>	<u>2.79</u>
Other Solids Price	0.1517 / lb	0.0829 / lb	Statistical Uniform Price	\$12.64	\$12.16
Somatic Cell Adjustment Rate	0.00064 / cwt	0.00054 / cwt			
Nonfat Solids Price	0.7799 / lb	0.8616 / lb			

CLASS PRICES

CLASSIFICATION OF PRODUCER MILK

	<u>December</u>			<u>December</u>	
	<u>2001</u>	<u>2000</u>		<u>2001</u>	<u>2000</u>
Class I*	\$13.98	\$14.13	Product lbs.		
Class II	12.61	13.97	Class I	561,956,012	577,955,842
Class III	11.80	9.37	Class II	189,264,712	83,133,122
Class IV	11.79	13.27	Class III	700,833,846	541,598,346
			Class IV	<u>106,578,775</u>	<u>43,088,936</u>
			Total	1,558,633,345	1,245,776,246

* Subject to Location Adjustment.

ORDER 33 DECEMBER MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for December 2001 was \$0.84 and the Statistical Uniform Price was \$12.64 for the month. The Statistical Uniform Price is down \$1.15 from last month, but is 48 cents greater than December 2000.

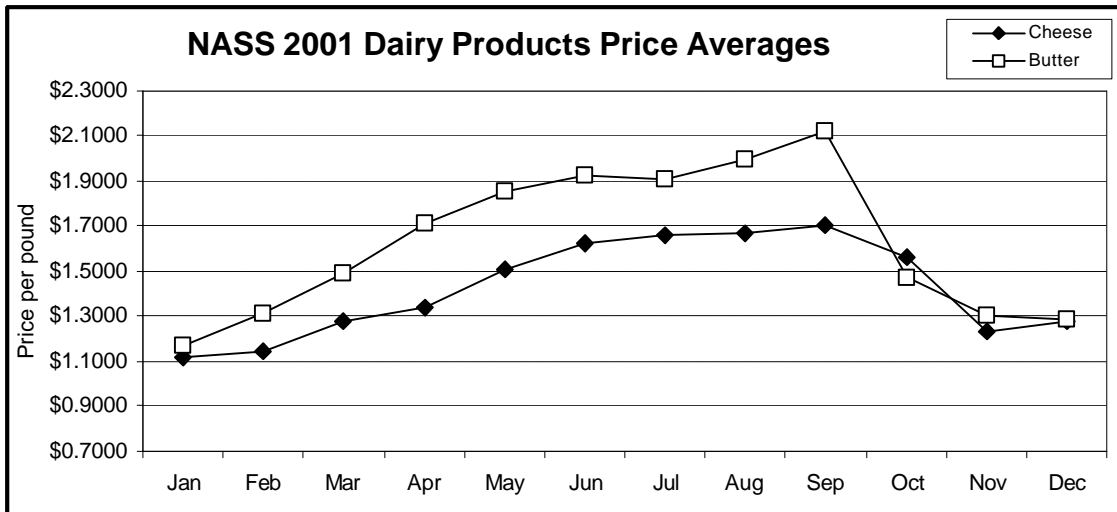
The Producer Butterfat Price of \$1.4322 per pound decreased 1.78 cents from November 2001 and is down 22.12 cents from a year ago. The Protein Price of \$1.9782 is up 17.37 cents from last month and is up 94.04 cents from December 2000. The Other Solids Price in December is \$0.1517 per pound, a slight increase from last month's price of \$0.1470 and an increase of 6.88 cents over last December. The Somatic Cell Adjustment rate for December was \$0.00064.

December producer receipts of 1.56 billion pounds were up 7.6 percent from November 2001, and increased 25.1 percent over December 2000 production of 1.25 billion pounds. Producer milk allocated to Class I accounted for 36.1 percent of the total producer milk in December compared to 39.5 percent in November and 46.4 percent in December 2000. A total of 11,657 producers were pooled in the Mideast Order with an average daily delivery of 4,313 pounds compared to 10,629 producers pooled in December 2000 with an average daily delivery of 3,781 pounds.

The market average content of producer milk was as follows: Butterfat 3.78%; Protein 3.07%; Other Solids 5.69% and Nonfat Solids 8.76%.

**NATIONAL AGRICULTURAL STATISTICAL SERVICE
DAIRY PRODUCTS PRICE AVERAGES**

	Two-Week Average				Monthly Average			
	Cheese	Butter	Nonfat Dry Milk	Dry Whey	Cheese	Butter	Nonfat Dry Milk	Dry Whey
2001	<i>Dollars per pound</i>				<i>Dollars per pound</i>			
January	1.1340	1.1279	1.0172	0.2446	1.1180	1.1725	1.0165	0.2484
February	1.1402	1.3026	1.0135	0.2603	1.1467	1.3143	1.0137	0.2561
March	1.2769	1.4862	1.0132	0.2406	1.2737	1.4942	1.0127	0.2406
April	1.3326	1.6637	1.0154	0.2434	1.3423	1.7126	1.0145	0.2446
May	1.4731	1.8397	1.0173	0.2535	1.5129	1.8527	1.0180	0.2590
June	1.6232	1.9275	1.0158	0.2753	1.6211	1.9263	1.0148	0.2764
July	1.6521	1.9364	0.9730	0.2874	1.6573	1.9094	0.9634	0.2862
August	1.6696	1.9544	0.9445	0.2871	1.6693	1.9990	0.9473	0.2886
September	1.7136	2.1781	0.9506	0.2876	1.7085	2.1198	0.9497	0.2871
October	1.6777	1.6366	0.9468	0.2841	1.5591	1.4701	0.9441	0.2835
November	1.2182	1.3051	0.9342	0.2851	1.2322	1.3040	0.9349	0.2823
December	1.2895	1.2580	0.9222	0.2902	1.2762	1.2894	0.9199	0.2868



**Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33**

State	November 2001*						November 2000				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,700	433,534	3.73	3.09	5.70	270	403,114	3.75	3.11	5.69	270
Wisconsin	2,624	321,716	3.79	3.08	5.68	271	240,956	3.79	3.05	5.71	271
Ohio	2,778	310,982	3.82	3.15	5.67	288	273,910	3.83	3.15	5.67	282
Pennsylvania	1,530	127,828	3.85	3.13	5.65	321	124,777	3.85	3.14	5.64	320
Indiana	1,307	122,590	3.84	3.15	5.68	306	124,132	3.82	3.14	5.68	279
New York	413	97,434	3.69	3.02	5.68	252	66,112	3.77	3.07	5.68	253
Illinois	112	12,383	3.79	3.09	5.84	302	14,620	3.79	3.13	5.74	278
West Virginia	95	7,344	3.86	3.22	5.66	350	6,228	3.81	3.18	5.65	344
Minnesota	41	3,769	3.82	3.15	5.74	392	0				
Other	116	8,524	3.83	3.16	5.63	307	11,031	3.84	3.14	5.66	399
Total/Average	11,716	1,446,104	3.78	3.10	5.68	282	1,264,878	3.80	3.11	5.68	279

* Totals may not add due to rounding. Data provided on a one month delay basis.



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Mideast Market Administrator Bulletin

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**FEDERAL ORDER DATA
DECEMBER 2001**

<u>Marketing Area</u> 1/	Producer Milk		Class I <u>Percent</u> %	Producer <u>Price Differential</u>	Statistical <u>Uniform Price</u>
	<u>Total</u> (000)	<u>Class I</u> (000)			
FO 1 Northeast - (Boston)	2,077,553	910,402	43.8	\$1.92	\$13.72
FO 5 Appalachian - (Charlotte)	558,177	365,437	65.5	2/	14.16
FO 6 Florida - (Tampa)	230,031	204,295	88.8	2/	15.58
FO 7 Southeast - (Atlanta)	699,405	400,415	57.3	2/	13.95
FO 30 Upper Midwest - (Chicago)	1,833,503	340,442	18.6	0.39	12.19
FO 32 Central - (Kansas City)	1,522,956	407,389	26.8	0.66	12.46
FO 33 Mideast - (Cleveland)	1,558,633	561,956	36.1	0.84	12.64
FO 124 Pacific Northwest - (Seattle)	620,351	175,470	28.3	0.55	12.35
FO 126 Southwest - (Dallas)	766,773	331,971	43.3	1.65	13.45
FO 131 Arizona-Las Vegas - (Phoenix)	244,530	81,335	33.3	2/	12.71
FO 135 Western - (Salt Lake City)	461,447	84,876	18.4	0.53	12.33

1/ Names in parentheses are principal points of markets.

2/ Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JANUARY 2002 \$11.79 /cwt.